



Foreign Agricultural Service

GAIN Report

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Dominican Republic

Grain and Feed

Corn Update

2002

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Report Highlights:

Current corn consumption of U.S. corn exceeds one million tons. Higher international prices are not anticipated to lower the Dominican Republic's requirements for imported corn.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Santo Domingo [DR1], DR

Executive Summary

Corn production in the Dominican Republic is very limited and is not expected to change in the near future. Imports from the United States, which supplement local production, is expected to continue above one million metric tons in MY 2002, in spite of higher prices.

Local production represents less than four percent of the total market demand. Marketing Year (MY) 2001 production, remains at the same level as the year before at 36,000 metric tons. The total output demonstrates that no additional acreage was devoted to corn and that yields were not particularly high and most of the demand for corn is supplied by imports from the United States.

Corn consumption is estimated to have marginally decreased in MY 2001, compared to the year before, as a result of consolidation done by one of the major poultry producers as they restructured some poultry farm operations in order to strengthen and consolidate its business.

About seventy-five percent of the corn supply is consumed by broiler and layer production, while swine consume twenty-two percent and about three percent is consumed by cattle, mostly from the dairy sector. Consumption is expected to remain strong in MY 2002 and 2003 in spite of the current price increases in the international market for corn.

The United States dominates the corn market in the Dominican Republic, though an occasional shipment arrives from Argentina. The revised estimates for MY 2001 and the preliminary forecast for MY 2002 show a modest increase in import volumes as some poultry producers have indicated. Total imports appear to move towards 1,100,000 metric tons at a slower pace but will continue above one million tons as the poultry industry adjusts production costs to reflect current feed prices.

Corn and soybean meal are the major ingredients in feed formulations and are exempted from import taxes in an effort of the GODR to lower costs to producers. In conjunction with this measure, the GODR submitted a TRQ (Tariff Rate Quota) rectification proposal to the World Trade Organization establishing a minimum access level for corn at 703,000 tons increasing to 1,091,000 MT in 2004 at 5% duty. The maximum out-of-quota tariff level for corn is 74%, declining to 40%. As a result of the great demand for feed grains and low domestic production, the Dominican Republic is not enforcing quota limitations nor anticipate to do so in the future. The U.S. dominance of corn sales to the Dominican Republic is due to its geographic proximity, good quality and competitive prices. Nonetheless producers from South America continue to show interest in this market.

Statistical Data

PSD Table						
Country	Dominican Republic					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		10/2001		10/2002		10/2003
Area Harvested	32	28	32	30	0	30
Beginning Stocks	107	102	146	108	181	106
Production	39	36	35	38	0	38
TOTAL Mkt. Yr. Imports	1000	1030	1000	1060	0	1090
Oct-Sep Imports	1000	1030	1000	1060	0	1090
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1146	1168	1181	1206	181	1234
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	1000	1060	1000	1100	0	1130
TOTAL Dom. Consumption	1000	1060	1000	1100	0	1130
Ending Stocks	146	108	181	106	0	104
TOTAL DISTRIBUTION	1146	1168	1181	1206	0	1234